

say as you saw from his answer that there is not going to be a tax increase. Why did the legislative Appropriations Committee draw up what they called a lean budget, no fat, then we come in here trying to cut all these millions of dollars off that budget. Why? And I'd like to ask that question to Senator Warner. Senator Warner, if the Budget Committee had proceeded as carefully as we've been told and produced this lean budget, why are we now trying to cut so many millions off that lean budget? Turn that man on. His mike.

SENATOR WARNER: Senator Chambers, if I can go back to the chronological order of events, the projected receipts was \$846 million some time back that we were working with. We devised the budget at that time to be within that. Then in the events the revision and the projections were made and they went down 20, what, \$25 million I remember correctly. We then went back as a committee and came in with a package which represented the committee's judgment and that was about \$9 million of reductions that could be made without giving significant damage to the existing agencies of state government and aid programs. That we brought back and it was adopted. Then there were those, and it would have required a tax increase.

SENATOR CHAMBERS: Mmm, hmm.

SENATOR WARNER: There is no question about that. Then we were at the point where we had a motion pending that was \$14 million and I think \$215,145 of across the board cuts and in a committee meeting the Appropriations, at a noon, felt if that...a dollar amount was to be done that it made more sense to try and go back and reduce the scope of government rather than just some arbitrary cut.

SENATOR CHAMBERS: Okay, now, if I may, what started the problem was that a projection was made that turned out to be inflated over what actually came in. Is that correct? The projection was in error.

SENATOR WARNER: Actual receipts primarily in personal income tax was below projections.

SENATOR CHAMBERS: Who is making the projections on which we're basing the actions we're engaged in now? Is a different person making the projections than the one who